



**ENDOWMENT FUND TRUST FOR THE
PRESERVATION OF THE HERITAGE OF SINDH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530, Pakistan
Tel: +9221 3565 0007
Fax: +9221 3568 1965
www.ey.com

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

We have audited the annexed balance sheet of Endowment Fund Trust for the Preservation of Heritage of Sindh (the Trust) as at 30 June 2011, the related statement of income and expenditure and the statement of cash flows together with the notes forming part thereof (here-in-after referred to as the "financial statements"), for the year then ended.

Trustee's responsibility for the financial statements

Trustees of the Trust are responsible for the preparation and fair presentation of these financial statements in accordance with the guideline for Accounting and Financial Reporting by Non-Government Organizations / Non-Profit Organizations as issued by the Institute of Chartered Accountants of Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

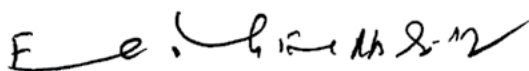
Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Trust as at 30 June 2011, and of its financial performance and its cash flows for the year then ended in accordance with guideline for Accounting and Financial Reporting by Non-Government Organizations / Non-Profit Organizations as issued by the Institute of Chartered Accountants of Pakistan.



Chartered Accountants

Audit Engagement Partner: Arslan Khalid

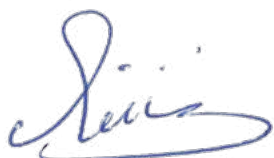
Date: 01 August 2012

Karachi

ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH
BALANCE SHEET
AS AT 30 JUNE 2011

	Note	2011 Rupees	2010 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	6	7,625,184	4,817,867
Long-term investment	7	961,956,599	961,509,954
		<u>969,581,783</u>	<u>966,327,821</u>
CURRENT ASSETS			
Short-term investment	8	213,538,375	-
Accrued interest on investments		39,548,055	39,773,590
Deposits and prepayments	9	300,000	1,800,000
bank balance	10	750,407	95,231,621
		<u>254,136,837</u>	<u>136,805,211</u>
TOTAL ASSETS		<u>1,223,718,620</u>	<u>1,103,133,032</u>
ACCUMULATED SURPLUS AND LIABILITIES			
ACCUMULATED SURPLUS			
Endowment Fund	11	1,000,000,000	1,000,000,000
Accumulated Surplus		222,908,510	103,133,032
		<u>1,222,908,510</u>	<u>1,103,133,032</u>
CURRENT LIABILITIES			
Creditors and other liabilities	12	810,110	-
		<u>810,110</u>	<u>-</u>
COMMITMENTS	13	-	-

The annexed notes from 1 to 16 form an integral part of these financial statements.



Trustee

ETM



Trustee

ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 Rupees	2010 Rupees
INCOME			
Investment income		135,876,460	26,444,506
Profit on PLS savings account		1,920,375	85,122,106
		137,796,835	111,566,612
EXPENDITURE			
Cost of Projects	14	(11,235,739)	(11,250,000)
Administrative and general expenses	15	(6,785,618)	(1,255,050)
		(18,021,357)	(12,505,050)
Surplus for the year		119,775,478	99,061,562
Surplus at the beginning of the year		103,133,032	4,071,470
Surplus at the end of the year		222,908,510	103,133,032

The annexed notes from 1 to 16 form an integral part of these financial statements.



Trustee

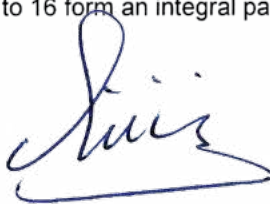


Trustee

ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

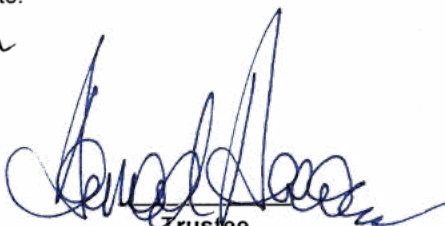
	2011 Rupees	2010 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	119,775,478	99,061,562
<i>Adjustments for non-cash items:</i>		
Amortization income	(446,645)	(653,382)
Depreciation	1,368,892	166,133
	<u>120,697,725</u>	<u>98,574,313</u>
(Increase) / decrease in current assets		
Deposits and prepayments	1,500,000	(1,800,000)
Accrued interest on investments	(5,327,280)	(39,773,590)
Decrease in current liabilities		
Creditors and other liabilities	810,110	-
Net cash generated from operating activities	<u>117,680,555</u>	<u>57,000,723</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of fixed assets	(4,176,209)	(4,984,000)
Investments made during the year	(579,361,895)	(960,856,572)
Investments matured during the year	371,376,335	-
Net cash used in investing activities	<u>(212,161,769)</u>	<u>(965,840,572)</u>
Net decrease in cash and cash equivalents	<u>(94,481,214)</u>	<u>(908,839,849)</u>
Cash and cash equivalents at the beginning of the year	95,231,621	1,004,071,470
Cash and cash equivalents at the end of the year	<u><u>750,407</u></u>	<u><u>95,231,621</u></u>

The annexed notes from 1 to 16 form an integral part of these financial statements.



 Trustee

RSM



 Trustee

ENDOWMENT FUND TRUST FOR THE PRESERVATION OF HERITAGE OF SINDH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1. LEGAL STATUS AND NATURE OF ACTIVITIES

The Government of Sindh vide its notification No. SO(C-IV)/SGA & CD/ 4-41/2008 dated 30 August 2008 constituted the Management Board of the 'Endowment Fund Trust for the Preservation of Heritage of Sindh' (the Trust). The Trust was registered on 16 September 2009. The objective of the Trust is mainly to aid in the preservation of Sindh's artistic, tangibles and intangible heritage that are endangered and take necessary steps for its restoration and conservation.

The Trust comprise of 15 members with 12 from private sector and 3 ex-officio members. The Trustees shall receive, hold, invest and mobilize the Endowment amounts that may be received from the Government of Sindh through its Antiquities Department from time to time.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the guideline for Accounting and Financial Reporting by Non-Government Organizations / Non-Profit Organizations as issued by the Institute of Chartered Accountants of Pakistan.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Investments

Long-term investments are carried at cost and short-term investments are carried at market value. Premium / discount on purchase of investments is amortized using effective interest rate method over the life of the instrument.

4.2 Fixed assets

4.2.1 Tangible fixed assets

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income and expenditure account using the straight-line method. A full month's depreciation is charged for assets purchased at any time in a financial year while no depreciation is charged in the month of an assets' disposal.

The assets' residual values and useful lives are reviewed periodically and adjusted if impact on depreciation is significant.

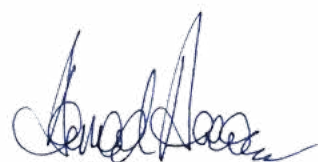
Gains and losses on disposal of fixed assets, if any, are included in income currently.

4.2.2 Impairment of assets

An assessment is made on periodic basis whether there is any objective evidence of impairment (or reversal of previous impairments), in tangible fixed assets and investments. In the event that an asset's carrying amount exceeds its recoverable amount, an impairment loss is recognised in the income and expenditure account equal to the difference and the carrying amount is reduced to the recoverable amount.

4.3 Revenue recognition

- Grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.
- Interest income is recognized on accrual basis using effective interest rate method.



4.4 Taxation

Income of the Trust is exempt from tax under section 49 of the Income Tax Ordinance, 2001.

4.5 Provisions

A provision is recognised in the balance sheet when the Trust has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.6 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and bank deposits.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. FIXED ASSETS

Particulars	Cost			Accumulated Depreciation			Written Down Value as at 30 June 2011 Rupees
	As at 01 July 2011 ----- Rupees	Additions during the year	As at 30 June 2011	As at 01 July 2011 ----- Rupees	Charge during the year	As at 30 June 2011	
Motor Vehicles	4,984,000	938,000	5,922,000	166,133	994,840	1,160,973	4,761,027
Computer Equipment	-	370,190	370,190	-	74,038	74,038	296,152
Office and multi-media equipment	-	2,868,019	2,868,019	-	300,014	300,014	2,568,005
	<u>4,984,000</u>	<u>4,176,209</u>	<u>9,160,209</u>	<u>166,133</u>	<u>1,368,892</u>	<u>1,535,025</u>	<u>7,625,184</u>

7. LONG-TERM INVESTMENT

Pakistan Investment Bonds	Note	2011 Rupees	2010 Rupees
	7.1	<u>961,956,599</u>	<u>961,509,954</u>

7.1 Particulars of investment

	Face Value Rupees	Interest Rate	Maturity
Pakistan Investment Bonds	986,000,000	12%	August 2018

8. SHORT-TERM INVESTMENT

Market Treasury Bills	Note	2011 Rupees	2010 Rupees
	8.1	<u>213,538,375</u>	<u>-</u>

8.1 These Investments have face value of Rs.222 million maturing by November 2011.

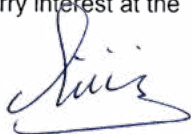
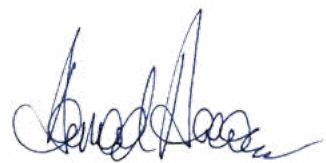
9. DEPOSITS AND PREPAYMENTS

Security Deposit	300,000	300,000
Prepaid Rent	-	1,500,000
	<u>300,000</u>	<u>1,800,000</u>

10. BANK BALANCE

PLS Savings Account	10.1	<u>750,407</u>	<u>95,231,621</u>
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10.1 These carry interest at the rate of 7.5% (2010: 12%) per annum.

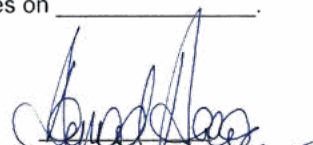
**ENDOWMENT FUND TRUST FOR THE
PRESERVATION OF HERITAGE OF SINDH**

	Note	2011 Rupees	2010 Rupees
11. ENDOWMENT FUND			
Received from the Government of Sindh	11.1	<u>1,000,000,000</u>	<u>1,000,000,000</u>
11.1 The income of the Endowment Fund will be available for the programme's objectives and in accordance with the Government of Sindh's notification No. SO(C-IV)/SGA & CD/ 4-41/2008 dated 30 August 2008, the Endowment Funds are to be utilized on the following purposes:			
i) Promote awareness and further study of archaeological sites in Sindh.			
ii) Registration of all archaeological sites and artifacts in Sindh.			
iii) Scientific analysis of archaeological artifacts through qualified laboratories.			
iv) Promote research and analysis of archaeological artifacts in Sindh.			
v) Work for preservation / conservation, protect, stabilize, repair, restore and maintain the significant archaeological sites and physical heritage.			
vi) Provide suitable protection storage facilities for archaeological artifacts.			
vii) Hire local students to work on archaeological sites under the supervision of qualified archaeological.			
viii) Develop exhibits, displays and events relating to archaeological and physical heritage in Sindh.			
12. CREDITORS AND OTHER LIABILITIES			
Payable to suppliers		208,192	-
Salaries payable		495,061	-
Others		106,857	-
		<u>810,110</u>	<u>-</u>
13. COMMITMENTS			
The Trust is committed to provide assistance / financial grant to following executors in accordance with the terms of the project agreements:			
Sindh Provincial Museum Hyderabad Sindh		2,180,000	-
Mohatta Palace Museum		3,000,000	7,000,000
Restoration of Khaipur Mir Monuments		7,000,000	7,000,000
Restoration of Hyderabad Mir Monuments		7,000,000	7,000,000
Sindh Language Authority (Sound Studio)		2,250,000	5,250,000
		<u>21,430,000</u>	<u>26,250,000</u>
14. COST OF PROJECTS			
Mohatta Palace Museum		4,000,000	3,000,000
Sindh Provincial Museum Hyderabad Sindh		1,820,000	3,000,000
Sindhi Language Authority (Sound Studio)		3,000,000	2,250,000
Restoration of Hyderabad Mir Monuments		-	3,000,000
Restoration of Khaipur Mir Monuments		-	3,000,000
Cost of surveys / site visits (travelling, accommodation and other related expenses)		2,415,739	-
		<u>11,235,739</u>	<u>11,250,000</u>
15. ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances and other benefits		2,334,500	307,867
Rent and taxes		1,800,500	300,000
Utilities		309,207	-
Insurance		112,140	-
Depreciation		1,368,892	166,133
Travelling and conveyance		115,000	-
Honorarium		-	180,000
Brokerage charges to estate agent		-	115,850
Others		745,379	185,200
		<u>6,785,618</u>	<u>1,255,050</u>
16. GENERAL			
16.1 Amounts have been rounded off to the nearest rupee.			
16.2 These financial statements were authorised for issue by the Board of Trustees on			

01 AUG 2012


Trustee

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Trustee